

Message Text

CONFIDENTIAL

PAGE 01 STATE 275405

61

ORIGIN EB-07

INFO OCT-01 ARA-06 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00

FMC-01 INR-07 NSAE-00 CG-00 OFA-01 DLOS-04 L-03 XMB-02

AID-05 TRSE-00 STR-04 /041 R

DRAFTED BY EB/TT/MA:SVSMITH:BST

APPROVED BY EB/TT/MA:RKBANK

MARAD:JHOEN

FMC:WJSMITH

ARA/BC:MR.HECHTMAN

----- 100192

P 202258Z NOV 75

FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO PRIORITY

C O N F I D E N T I A L STATE 275405

E.O. 11652: GDS

TAGS: EWWT, CI

SUBJECT: DISCRIMINATORY SHIPPING DECREE

REF: A) SANTIAGO 7605; B) STATE 272393

1. ON AFTERNOON OF NOVEMBER 19, DEPARTMENT OFFICERS FROM EB/TT/MA AND ARA/BC, AND OFFICIALS OF FEDERAL MARITIME COMMISSION (FMC), AND MARITIME ADMINISTRATION (MARAD) OF USDOC, MET WITH VICE-PRESIDENT VIADA OF PRUDENTIAL LINES AND OTHER PRUDENTIAL OFFICIALS TO DISCUSS PRUDENTIAL'S SITUATION IN CHILE.

2. DEPARTMENT CALLED MEETING AFTER TELEPHONE CALL TO VIADA APPRISED US THAT PRUDENTIAL'S PROBLEM IS IMMEDIATE. PRUDENTIAL EXPECTS TO CARRY APPROXIMATELY TEN LARGE SHIPMENTS OF FRUIT AND PRODUCE FROM CHILE TO U.S. EAST COAST FROM DECEMBER 1975 TO MAY 1976, AND
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 275405

IS ANXIOUS NOT TO LOSE THE EXPECTED DOLLARS 2 MILLION

REVENUE THESE CARGOES WILL GENERATE. IN FACT, FIRST SHIP SCHEDULED ARRIVE CHILE WITHIN TWO WEEKS. VIADA REPORTED HIS DISCUSSIONS WITH GUBLER OF ANA AND MENTIONED THE POSSIBILITY THAT PRUDENTIAL MIGHT SEEK FMC'S PERMISSION TO ENTER INTO AN EQUAL ACCESS AGREEMENT WITH THE CHILEAN LINES ON NORTH-BOUND CARGOES.

3. FMC MADE IT CLEAR THAT IT WOULD NOT AUTOMATICALLY APPROVE AN EQUAL ACCESS AGREEMENT AND THAT PRUDENTIAL SHOULD BE EXTREMELY CAUTIOUS NOT TO ENTER INTO SUCH AN AGREEMENT, EVEN ON AN AD HOC OR DE FACTO BASIS, WITHOUT FMC'S APPROVAL. DEPARTMENT OFFICIALS EXPRESSED VIEW THAT IT WOULD BE A MISTAKE FOR PRUDENTIAL TO AGREE IMMEDIATELY TO AN EQUAL ACCESS AGREEMENT WITHOUT OUR TRYING FIRST TO SEE SITUATION RESOLVED BY GOC AS RESULT USG DIPLOMATIC APPROACHES TO CHILE PER REF B. MARAD REPRESENTATIVE REITERATED DISTINCT POSSIBILITY THAT CHILE WOULD LOSE EXISTING AND FUTURE WAIVERS ALLOWING CHILEAN VESSELS TO CARRY 50 PERCENT OF EXIMBANK FINANCED CARGO DESTINED FOR CHILE. ALL THREE USG AGENCIES AGREED THAT OUR EFFORTS SHOULD BE DIRECTED TOWARD ENDING DISCRIMINATION IN THIS TRADE.

4. VIADA REPORTED THAT WHEN HE HAD LEFT CHILE, HE HAD TOLD GUBLER THAT HE WAS RETURNING TO THE U.S. TO INVESTIGATE BEST COURSE OF ACTION FOR PRUDENTIAL. DEPARTMENT AND FMC URGED VIADA TO NOW INFORM HIS CHILEAN CONTACTS, PRESUMABLY INCLUDING GUBLER, THAT FMC APPROVAL OF AN EQUAL ACCESS AGREEMENT WOULD NOT BE AUTOMATIC OR IMMEDIATE AND THAT HE WAS THEREFORE RUNNING INTO DIFFICULTY IN TAKING SUCH ACTION. VIADA SAID HE WOULD TELEPHONE HIS CHILEAN CONTACTS TO ASK THEM TO URGE GOC TO END PRESENT DISCRIMINATORY SITUATION.

5. ACTION REQUESTED. EMBASSY REQUESTED MAKE APPROACHES TO GOVERNMENT OF CHILE OUTLINED REF B, EMPHASIZING OUR GREAT CONCERN OVER THIS DISCRIMINATION AND DESCRIBING THE MEASURES AVAILABLE TO THE USG. SHOULD THERE BE ANY SUGGESTION BY THE CHILEANS THAT AN EQUAL ACCESS AGREEMENT MIGHT BE A SOLUTION TO THIS PROBLEM, EMBASSY CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 275405

SHOULD NOT ENCOURAGE SUCH SUGGESTIONS. RATHER EMBASSY SHOULD STATE THAT THIS MATTER HAS BEEN DISCUSSED IN WASHINGTON AND IT UNDERSTANDS THAT FMC MIGHT NOT APPROVE SUCH AN AGREEMENT, AND EVEN IF FMC WERE TO APPROVE ONE, IT WOULD NOT DO SO AUTOMATICALLY OR IMMEDIATELY.

6. EMBASSY REPORTED PARA 2 REF A THAT GOC ACTION WHICH BROUGHT ON THIS DISCRIMINATION ORIGINATED IN

MINISTRY OF TRANSPORT. DEPARTMENT BELIEVES THAT WHILE EMBASSY APPROACHES WOULD LOGICALLY BE MADE TO MINISTRY OF TRANSPORT, IT MIGHT ALSO BE EFFECTIVE TO POINT OUT TO MINISTRY OF FINANCE THE POSSIBILITY THAT MINISTRY OF TRANSPORT'S DECISION WOULD JEOPARDIZE THE EXPEDITIOUS MOVEMENT OF CHILE'S FRUIT AND PRODUCE EXPORTS TO THE U.S. FURTHERMORE, MINISTRY OF FINANCE SHOULD BE AWARE OF POSSIBILITY OF MARAD ACTION CITED PARA 3 ABOVE.

7. DUE TO URGENCY THIS MATTER, EMBASSY SANTIAGO PLEASE REPORT RESULTS ITS APPROACHES ASAP. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE DISCRIMINATION, MARITIME LAW, STEAMSHIP LINES, SHIPPING DOCUMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE275405
Document Source: CORE
Document Unique ID: 00
Drafter: SVSMITH:BST
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750405-0301
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751127/aaaaaxtu.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 SANTIAGO 7605, 75 STATE 272393
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 SEP 2003 by ElyME>; APPROVED <19 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DISCRIMINATORY SHIPPING DECREE
TAGS: EWWT, CI, PRUDENTIAL LINES
To: SANTIAGO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006